

**PROCEDURES FOR FILING APPLICATIONS FOR APPROVAL OF
FINANCING ARRANGEMENTS, MERGERS, TRANSFERS OF AUTHORITY,
OR RELATED TRANSACTIONS**

Authority Phone No.: (615) 741-2904

Fax: (615) 741-2336

Contact Person(s):

David McClanahan, Competitive Markets & Policy Division (ext. 177)

Kim Beals, Legal Division (ext. 168)

NOTE: The following guidelines for filing applications are illustrative only and are not comprehensive. The necessary contents of applications may vary on an individual case basis.

General application guidelines:

Address applications and any supporting documentation to:

Ms. Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Thirteen (13) copies of paper filings are required.

A \$25 application fee shall be remitted for any application requiring Authority approval. Joint applications must be accompanied by \$25 for each certificated applicant.

Local counsel is not required.

Applications shall be in numbered paragraphs and include the following:

- the name, mail and e-mail addresses, telephone and fax numbers of the applicant(s) or its (their) duly authorized representative(s);
- a clear designation of the authorization, right, or approval sought;
- a citation to the statute, rule, or order which warrants the application;
- a description of any certificate of authority issued by the Authority or its predecessor (citing the appropriate docket number) that is held by the applicant, any other party to the subject transaction, or any party affiliated with any party to the subject transaction;

- a description of any previous authorization or approval which will be affected by the subject transaction;
- a statement concerning the number of states, municipalities, countries, or other governmental jurisdictions in which the company is authorized to provide utility services;
- a description of how the regulated services or tariff conditions provided by the parties to the transaction will be affected;
- a description of the public interest considerations involved;
- a concise recitation of the material facts to be relied upon by the Authority;
- copies of all pertinent contracts, agreements, certificates, permits, tariffs, proposed tariffs, charters, by-laws, ordinances, resolutions or other writings referred to in the application, which shall be attached as exhibits.

Copies of written material or orders which are of record with the Authority need not be attached to the application if reference is made to the appropriate docket numbers.

Applications shall be signed by the applicant or the applicant's duly authorized representative and be notarized.

Applicants should notify the Authority of any transaction that materially affects the representations originally put forth in the application.

If Authority approval is required, applications shall be initially considered by the Authority at a regularly-scheduled Authority conference and upon such consideration, may be approved with or without conditions, denied, set for evidentiary hearing, or granted in part and denied in part.

If Authority approval is not required, a letter stating such, and including a citation to the statute, rule or order under which Authority approval is deemed unnecessary, will be sent to the originator of the application and any designated contacts listed therein.

Applications for approval of financing arrangements:

Applications for approval of financing arrangements should be filed pursuant to T.C.A. § 65-4-109, should state the terms of the financing and should be made in accordance with law.

If stock is to be issued, the application shall indicate the proposed issue date, the dollar amount(s) and kind(s) of stock to be issued.

If preferred stock is to be issued, the application shall indicate the proposed issue date, the dollar amount(s) and preferences.

If bonds or notes or other indebtedness is proposed, the application shall describe the associated terms and conditions including the dollar amount(s) of debt, the interest rate(s), the issue and maturity dates, and whether or not the debt is secured (and if so, how it is secured).

All financing applications shall include a statement of how the proceeds from the proposed financing arrangement(s) are to be used, and if possible shall provide the dollar amounts for each use of the proceeds.

All financing applications shall include the most recently independently audited balance sheet and operating statement of revenues and expenses for the company responsible for the stock or debt issue.

All financing applications shall include a verification statement that the information contained in the application is true to the best of the knowledge and belief of the senior officer(s) signing the statement and that the proposed financing arrangement complies with all applicable laws. This statement shall be notarized; or in the alternative, the corporate secretary of the company shall attest to the signature(s) of the signing officer(s) and the company's corporate seal shall be affixed.

Applications for approval of mergers not involving certificate transfers:

Applications for approval of mergers not involving certificate transfers should be filed pursuant to T.C.A. § 65-4-112.

The application shall include a brief description of all certificated entities and any relevant parent companies involved in the proposed transaction. This description shall include references to any certification to provide public utility services these companies hold in Tennessee, as well as a summary of any certification to provide public utility services these companies hold in other states, municipalities, countries or other governmental jurisdictions.

The application shall include a description of the transaction, as well as a clear description of corporate structure before and after the proposed merger.

The application shall make clear any changes in managerial staff, service provision and tariff levels or structures of certificated public utilities which will occur as a result of the proposed merger.

The application shall include plans for notifying all Tennessee customers of any non-surviving entity of the merger of the change of service provider, as well as providing such consumers with opportunities to change to another service provider before the merger takes place and at no cost to the customer.

Applications for approval of transfers of authority:

Applications for approval of transfers of authority should be filed pursuant to T.C.A. § 65-4-113.

A change in ownership or in majority stock ownership at any level of ownership is considered a transfer of authority and requires Authority approval pursuant to T.C.A. § 65-4-113.

The application shall include evidence of the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer.

The transferee of a telecommunications reseller certificate shall provide the information requested in the Authority's standard application form.

If a certificate for authority as a Competing Telecommunications Service Provider (facilities-based) is transferred, the transferee shall demonstrate its compliance with Tenn. Code Ann. 65-4-201, 65-5-212, and 65-5-213.